

STAFFORD COUNTY SCHOOL BOARD

Agenda Consideration

TOPIC: Credit Card Services

ITEM NO.: 10B

PREPARED BY: H. Charles Woodruff, II
Assistant Superintendent
for Financial Services

MEETING: March 23, 2004

ACTION DATE: April 6, 2004

Bill Hubbard
Director of Finance and Accounting

ACTION REQUESTED BY THE SUPERINTENDENT: That the School Board approve Mellon Bank as the provider of credit card services for the school division.

KEY POINTS:

In order to maximize revenue to Stafford County Public Schools (SCPS), staff prepared a Request for Proposals (RFP) for Credit Card Services requesting that the successful offerer provide a rebate to SCPS and a signing bonus. A Selection Advisory Committee reviewed 11 responses to the RFP and unanimously chose Mellon Bank as the top rated offerer.

Staff negotiated a guaranteed signing bonus of \$25,000 and a rebate program that will generate an additional \$150,000 annually if we charge \$1.0 million per month. This is the first time Mellon Bank has offered a signing bonus to any public entity.

Our primary concern when investigating the possibility of moving to a large-scale usage of credit cards was security. During the interviews of prospective credit card service providers, much discussion and many of the questions posed by members of the Selection Advisory Committee related to security issues. Credit card controls are actually more stringent than those used for paper transactions because credit transactions can be viewed on the Internet within a few hours of their occurrence. Other credit card controls include restrictions by vendor categories and credit limits.

Staff will work with Mellon Bank to implement the new credit card program throughout SCPS by July 1, 2004.

SCHOOL BOARD GOAL 8: Provide School Board leadership in advocating for adequate funding in support of Stafford County Public Schools.

FUNDING SOURCE: Not applicable.

AUTHORIZATION REFERENCE: Not applicable.